# School Business Alert

# June 17, 2011

#### **New Website**

The Department of Education has changed the look and address of its website. The new web address is <a href="http://educateiowa.gov/">http://educateiowa.gov/</a>. All School Business & Finance pages can be found under Administrators/PK-12 Administrators. Although you will be redirected when using the old address (<a href="https://www.iowa.gov/educate">www.iowa.gov/educate</a>) you may want to change your bookmarks for the Department of Education.

## **Annual Transportation Report**

In an effort to reduce reporting work for the districts, the **Annual Transportation Report** will be prepopulated with depreciation information from the **Vehicle Report** and financial information from the CAR. This financial information will first be pulled together on a **Transportation Report** in the CAR for quick review by the district. The **Annual Transportation Report** is due on Sept. 15.

Beginning with FY12, the **Annual Transportation Report** will require the use of a new source number, 1981, for Fuel Tax Refund, when the refund is not in the same fiscal year as the expenditure. When the refund is received in the same year, it will be shown as net against the expenditures.

## **Facilities, Elections and Sales Tax Report**

In recent previous years, the Facilities, Bond, PPEL Elections report was due on July 15<sup>th</sup>. This report is taking on a new look and due date, because of new legislation requiring information about Sales Tax in each district. This report will be called Facilities, Elections and Sales Tax and will be due on September 30<sup>th</sup>. Most of the financial information for sales tax will be pre-populated from CAR information. For more information on this report, contact Gary Schwartz (gary.schwartz@iowa.gov, 515-281-4743).

## **New Source Codes for FY12**

The source code 1980, "Refund of Prior Year's Expenditures", has been changed to a header. Since districts may no longer use source code 1980, use the new detail as described below.

- 1981 Fuel Tax Refund (when received in a subsequent year, net against expenditure in same year)
- 1982 Sales Tax Refund (when received in a subsequent year, net against expenditure in same year)
- 1989 Other Refunds of Prior Year's Expenditures

## **Education of Immigrant Children**

In recent weeks we have received questions about the education of immigrant children, in particular illegal aliens. You are encouraged to visit information posted about this subject at the following link: <a href="Immigrant Children">Immigrant Children</a>, Education of .

#### Personnel and Email address changes

Please make any business personnel (Business Manager, Board Secretary, Treasurer) changes to the School Business Officers data collection. This includes changes to email addresses. This is the

information that is used to contact districts about payments. In addition, please advise Marcia Krieger (<u>Marcia.Krieger@iowa.gov</u>) of these changes so she may update our email list for School Business Alerts or general finance news.

#### **Local Source Codes**

On the CAR, most state and federal project codes (3xxx and 4xxx) go through a reconciliation process to verify that beginning balances plus revenues minus expenditures equal the reported ending restricted fund balance (for state projects) or deferred revenues (for federal projects). Local source codes (1112, 1113, 1116, 1118 and 1119) also go through this reconciliation process, however, it is not required that districts record revenue separately for these funds which are built into the State Aid formula. To assist districts in this reconciliation, a table has been posted on the web with the amounts considered as revenue, either through State Aid, additional modified allowable growth from the SBRC, or local match as required by law. The link for the 2010-11 Sources for Local Projects table is: Certified Annual Financial Reports (CAR).

#### **Nutrition Project Codes**

It is appropriate, and will be required in FY12, that the Nutrition revenue account numbers using source codes of 3251, 3252 and 4551 through 4556, be accompanied by a matching project number. In other words, a revenue account code for school breakfast will have a source **and** project code of 3252. If these revenues are based on a predetermined rate per meal and not direct costs, districts are not required to identify, for CAR reporting, specific expenses for the project.

## **Quick Fund Balance Checks**

Under GASB 54, and in the state of Iowa,

Funds 21 – 59 (Governmental Funds outside of the General Fund)

- For funds with positive balances, the following may be applicable
  - o Account 72x, Restricted Fund Balance and
  - Account 71x, Nonspendable Fund Balance if applicable
- For funds with negative balances, the following may be applicable
  - Account 759, Unassigned Fund Balance (for the negative portion) and
  - Account 71x, Nonspendable Fund Balance if applicable AND
  - o Account 72x, Restricted Fund Balance, if applicable for a grant.

GASB 54 is only for governmental funds and did not change the definitions of net assets for proprietary and fiduciary funds. The numbers were reassigned only; therefore a crosswalk may be done. However, since each year stands on its own, the district needs to ensure it is still appropriately classified.

- For Investments in Capital Assets, Net of Related Debt
  - Crosswalk from 740 to 760
- For Restricted Net Assets
  - o Crosswalk from 750 to 770
- For Unrestricted Net Assets
  - Crosswalk from 760 to 780

## **Equipment in the Proprietary Fund**

When equipment is purchased in the governmental funds (10-59), the equipment is an expenditure, Object 73x. When equipment is purchased in the proprietary funds (60-69), the equipment is capitalized if over the \$500 capitalization threshold, and reported on the balance sheet, coded to Balance Sheet Account 241, not Object 73x. If under \$500, it is expensed as a supply, Object 61x. If it has been coded

to Object 73x, a journal entry will need to be done to reclassify it. In addition, the equipment is added to the district's depreciation schedule and a journal entry for depreciation expense will be made.

## **Program Codes**

Use the appropriate program code when applicable for all revenues, expenditures, and balance sheet accounts. We will continue to review FY12 edits to help ensure program codes have been used, for all types of accounts.

# School Business Alert - Web documents posted or updated since May 10, 2011

• (red bullet designates posted / updated document)



# **School Business & Finance**

- \* Accounting & Reporting
  - > CAR
  - Indirect Cost Rates
  - Uniform Financial Accounting
- Certified Enrollment
  - AEAs
  - Nonpublic Schools
  - School Districts
  - Supplementary Weighting

#### **❖** Finance Roundtable

# ❖ Financial Management

- Allocation Summaries
- Audits
- Budgets, Area Education Agencies
- Budgets, School Districts
- Catagorical Funding
- Public Fund Deposits & Rates
- SBRC
- School District Financial Report Cards
- School Finance Tools
  - Financial Indicators
- State Payment Schedule

# ❖ Levies & Funds

- Capital Project Funds
- Debt Service Levy
- General Fund
- Management Levy
- Public Disclosure of Outstanding Levies
- PPEL
- Public Education and Recreation Levy
- Student Activity Fund

# School Business Official Authorization

#### Procedures

- Foster Care Claim
- Nonpublic Textbook Services
- Reorganization, Dissolution & Sharing
- School Board Officers
- School Business Alert
- School Finance Associations and Boards
- Tuition & Fees
- Uniform Administrative Procedures, AEAs
- Uniform Administrative Procedures, School Distsricts

# Stimulus Package Information – American Recovery and Reinvestment Act (ARRA)

# School Facilities

- ❖ Construction
  - Davis-Bacon Act
  - Historic Preservation
  - Suspended & Debarred Contractors

# ❖ Data Collection

- Funding
  - Iowa Demonstration Construction Grant
    - 2008-09, 2009-10, & 2010-11 Interim / Final Project Reporting Form for Fire Safety and Construction Grants
  - Statewide School Infrastructure Sales and Services Tax
  - > PPEL
  - ➤ QSCB
  - ➤ QZAB
  - School Bonds

## ❖ Maintenance

- > Environmental Protection & Indoor Air Quality
- Maintenance Planning

# Planning

- Closing/Restructuring Attendance Centers
- Facility Planning

## Safety & Accessibility

- Accessibility / ADA / 504
- Fire Safety
- Playground Safety
- School Building Safety

# Advanced Learning Opportunities

❖ Gifted & Talented



- ❖ FAQs
  - Uniform Financial Accounting

# **Diverse Learners**

- ❖ At Risk
  - Funding

# **Educator Quality**

- ❖ Mentoring and Induction for Beginning Educators
  - Allocations
- **❖** Teacher Quality Program Guidance and Allocations
  - > Market Factor Guidance on Appropriate Uses and Allocations

# Administrator Quality

- **❖** Mentoring and Induction for Beginning Administrators
  - Allocations